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# AGRICULTURAL COOPERATION

May 4, 1929

Vol. VII, No. 9.

## A RECENT DEVELOPMENT IN COOPERATIVE BUYING

The collective purchase of petroleum products is one of the more recent developments in the field of agricultural cooperation. Approximately three hundred farmers' associations for handling gasoline, kerosene, motor oils and greases, have been organized within the last few years.

Minnesota farmers have led the way in this new co-operative movement. As early as 1921 an association was established to supply the oils needed for motor cars and farm machinery. To-day there are in that state more than half a hundred active associations operating bulk stations, roadside stations, and truck distributing routes. There is also an overhead organization for consolidating the purchasing orders.

Illinois, Nebraska and Wisconsin are other states in which there has been much farmer activity along similar lines. The Illinois Farm Supply Company is buying oils and greases for 16 local companies, some of which operate as many as five stations.

The Farmers' Union State Exchange at Omaha is acting as purchasing agent for nearly 40 local associations in Nebraska. A cooperative wholesale for supplying the needs of local associations was recently established in Kansas City.

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION  
COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING  
BUREAU OF AGRICULTURAL ECONOMICS  
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# CONTENTS

	<u>Page</u>
Fruits and vegetables:	
New organization to handle desert grapefruit (Calif.) .....	175
Increased business by Illinois Fruit Exchange .....	175
Increase in cooperative apple marketing (Wash.) .....	176
Cooperative fruit canning in Oregon .....	177
Dairy products:	
A Wisconsin cooperative cheese factory .....	178
Cream, egg and poultry association in Illinois .....	178
Cooperative creamery with marketing contract (Iowa) .....	179
Poultry products:	
Alabama farmers sell poultry cooperatively .....	180
Egg marketing in eastern Washington .....	180
Livestock:	
Livestock association serves many farmers (Mich.) .....	181
Increased shipments of livestock (Ind.) .....	181
Wool:	
New selling service for Arizona wool growers .....	182
Minnesota Wool Association is growing .....	182
Purchasing:	
Cooperative buying through service stations (Ohio) .....	183
Eight years of cooperative purchasing (Pa.) .....	183
Saskatchewan wholesale co-op one year old .....	184
Maine farmers own fertilizer plant .....	184
Collective purchasing in Michigan .....	184
Collective oil purchasing in Illinois .....	185
Foreign:	
The Netherlands' cooperative dairy factories .....	186
Farmers in Wales unite to buy many supplies .....	186
British cooperatives buy Sunday newspaper .....	187
Agricultural societies sell to consumers' groups (Russia).....	187
Cooperative associations of Macedonia .....	187
Business practice:	
Auditing on cooperative basis. (Ill.) .....	188
Education:	
Historical sketches, No. 7. Tobacco cooperatives .....	189
Publications:	
New paper for Minnesota wool growers .....	190
New publication for poultry cooperative (W.Va.) .....	190
Poultry association issues year book (N. J.) .....	190
Beginnings of Cooperative Livestock Marketing .....	190
Miscellaneous:	
Reported by the associations .....	191
Selected list of publications and articles .....	192

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## NEW ORGANIZATION TO HANDLE DESERT GRAPEFRUIT

The Desert Citrus Exchange, with headquarters at El Centro, Calif., has been formed by growers in California and Arizona affiliated with the California Fruit Growers' Exchange. The new association plans to make a specialty of marketing the grapefruit produced in the desert sections of the Southwest. While the membership is now made up of citrus associations in the Imperial and Yuma Valleys, opportunity will be given to citrus growers in the Coachella Valley of California, and the Salt River Valley of Arizona to join the new organizations. Officials of the new Exchange estimate that with normal crop conditions the association will market from 700 to 800 cars of grapefruit in the 1929-30 season. As most of the trees are very young the quantity of fruit will naturally increase from year to year.

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## INCREASED BUSINESS BY ILLINOIS FRUIT EXCHANGE

Shipments by the Illinois Fruit Growers' Exchange, Centralia Ill., were nearly one-third larger in 1928 than in 1927. Three hundred seventy-five car loads of fruits and vegetables were sold to dealers in 81 markets in 21 states and three Canadian provinces. In addition, local freight and express shipments were equivalent to about 50 car loads and direct sales by growers at the packing sheds were equal to about 100 car loads.

An effort was made to increase the demand by Illinois consumers for Illinois fruits. Twenty car loads of peaches were sent direct to Farm Bureau members in those sections of the state not producing peaches. The management of the Exchange believes that this method of marketing can be expanded so as to benefit both producer and consumer.

The Exchange handled farm supplies to the value of \$150,000. Among the commodities purchased were 350 tons of nitrate fertilizers, and 12,000 dozen baskets, labels, basket liners and corrugated caps.

The Exchange was organized in 1921. Its 16 local units serve about 600 fruit growers. Shipments for some of the preceding seasons have been as follows: 1922, 1,052 car loads; 1923, 600 car loads; 1924, 416; 1925, 428; 1926, 709; 1927, 295; 1928, 375.



INCREASE IN COOPERATIVE APPLE MARKETING

There was a gain in 1928 in the number of apple growers served by the Wenatchee-Okanogan Cooperative Federation, Wenatchee, Wash., also a gain in the tonnage handled. This organization is a federation of 13 local apple packing associations and several independent growers. It was organized in 1922 and functions as an open forum for the collection and dissemination of information valuable to the local units and the independent growers. It does not sell the fruit as that is done through a private brokerage firm; it does not handle traffic matters as there is a separate association for that purpose; it does not buy supplies because that activity is taken care of through the Fruit Growers Service Company. It does not plan the advertising campaigns as this activity is performed by the Washington Boxed Apple Bureau.

It does promote cooperation between the different agencies, furnishes a horticultural service and holds annual meetings for considering problems having to do with the common welfare.

The president of the Federation at the recent annual meeting used the following words to answer the question, "What is Wenoka?" "It is an organization functioning differently from anything we know of in the fruit or any other business; built absolutely on the loyalty and confidence that grows at the various shipping points, and with each other, and in the men who serve as salesmen."

The growth of the business represented by the Federation is shown by the following figures as to growers, acres and tonnage:

Year	Grower members*	Acres of orchards	Boxes
1925	447	4,944	1,645,636
1926	510	6,058	1,963,680
1927	513	6,263	1,708,728
1928	581	7,313	2,730,883

\* Of local associations.

Data are available for cars sold, number of buyers, markets, etc., for the years 1923-26. The figures are as follows:

Season	Sales (Cars)	Buyers (Number)	Markets (Number)	States (Number)	Foreign markets (Number)
1923-24	1,998	530	243	39	13
1924-25	1,600	408	198	40	10
1925-26	2,015	536	261	41	14

Orchard and packing house supplies to the value of \$201,571 were purchased cooperatively by members of "Wenoka" during 1928.

COOPERATIVE FRUIT CANNING IN OREGON

Owing to a partial failure of the 1928 prune crop in Oregon, a smaller quantity of fruit than for the two preceding years was canned by the Producers' Cooperative Packing Company, Salem, Oregon. A total of 2,124,450 pounds of fruit of various kinds was received and processed. The principal fruits and the quantity of each handled was as follows: Bartlett pears, 636,418 pounds; loganberries, 521,571 pounds; prunes, 405,760 pounds; strawberries, 201,515 pounds; blackberries, 191,235 pounds; cherries, 67,133 pounds; raspberries, 62,292 pounds; gooseberries, 33,530 pounds.

In addition to the fruit canned, a considerable quantity of strawberries, loganberries, and black raspberries were frozen.

The association was formed in 1921 as the Producers' Canning and Packing Company. Its growth and activity since its organization is indicated by the following figures taken from the annual reports:

Year	Fruit canned	Packed fruit	Fixed assets*	Share capital*	Reserve*
	(Pounds)	(Cases)#			
1921	4,021,015	-----	-----	-----	-----
1922	2,702,315	-----	\$75,802	\$77,000	\$17,086
1923	2,980,379	76,016	##48,754	77,000	31,069
1924	1,330,404	43,010	##55,657	73,000	5,985
1925	1,352,441	45,470	##62,109	72,700	10,490
1926	2,583,678	86,026	##67,180	72,500	22,705
1927	2,402,545	76,204	##75,727	72,500	37,663
1928	2,124,454	67,597	##81,432	108,750	60
1929	-----	-----	##74,950	109,750	10,225

\* March 31.

# All sizes.

## Depreciated value.

The policy of the management is set forth in the last annual report in the following words: "Our effort has ever been to build on a safe foundation and to keep this association strictly within the bounds of the purpose for which we feel it was founded, i. e., that of service of its members as a cooperative marketing and sales organization for the purpose of processing and selling the products of our grower members. Our growth as to membership has been slow, much slower than perhaps it might have been had we been disposed to take on volume without consideration of results to the individual members. Our thought has ever been that a smaller number well served is better than a larger number indifferently served."

### A WISCONSIN COOPERATIVE CHEESE FACTORY

One of Wisconsin's cooperative cheese organizations is the Nasonville Cooperative Cheese and Butter Company, Marshfield, formed in 1914 by a group of farmers who took over a privately owned factory. In 1915 and 1916 the company's sales amounted to \$3,316 and \$3,326, respectively. By 1924 they had increased to \$69,000, and in 1925 to \$73,000. Sales in 1926, including cream sales, totaled \$70,508. During 1927 the patrons delivered 3,104,912 pounds of milk which was converted into something over 300,000 pounds of cheese. This was considered a "light" year. In 1928 the company received 4,032,226 pounds of milk and made 402,501 pounds of cheese. Sales for all dairy products came to \$96,145. There were 50 patrons in 1927 but during the summer of 1928 the number increased to 84.

The same man has been serving as cheese maker for 10 years and has taken a number of prizes on his product.

The output of the factory is sold through the National Cheese Producers' Federation, Plymouth, Wis.

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### CREAM, EGG AND POULTRY ASSOCIATIONS IN ILLINOIS

Twenty-eight produce marketing associations were operating in Illinois at the close of 1928. The oldest of these began its work on July 15, 1924, although most of the 28 have been formed within the last two years.

These associations specialize in the marketing of cream, eggs and poultry. In most cases they operate local receiving stations at which cream, eggs and poultry are received and prepared for marketing. The cream is sold on a yearly contract to the highest bidder. The eggs and poultry are handled as side lines and help to create volume of business to bear the overhead expenses.

This cooperative activity is being fostered by the Illinois Agricultural Association with the aim of reducing the cost of handling cream and obtaining better returns to the dairymen. The management of the association estimates that there are 4,000 private cream stations in Illinois, there often being two, four, six, or eight stations where one station could handle the entire business at greatly reduced expense. The association management aims to replace the 4,000 private stations by 500 cooperative associations which will handle eggs and poultry in addition to cream.

One of the existing associations, during the last business year, handled 99,536 pounds of butterfat at a total expense of \$1,682; another handled 101,005 pounds at an expense of \$3,020; and a third, 54,940 pounds at an expense of \$1,521.

The estimated annual output of the 28 stations now operating is 2,000,000 pounds of butterfat.



### COOPERATIVE CREAMERY WITH MARKETING CONTRACT

In six years the quantity of butter made by the Osceola County Cooperative Creamery Association, Sibley, Iowa, has increased from a little over one-half million pounds to more than one and three-quarters million pounds. Butter sales for 1928 amounted to \$803,655, butter-milk sales were \$2,790, and cream sales, \$558. Patronage refunds for 1928 amounted to \$19,019. At the close of the year the association had fixed assets of \$44,313 and its net worth was \$27,388.

This association was formed in 1923. It now serves more than 1,500 dairy farmers. It was organized without capital stock. The capital necessary for plant, equipment, and working fund has been obtained by a deduction of one cent, or less, per pound on butter sold. Certificates of indebtedness, bearing interest, are issued to cover the deductions.

A marketing contract which sets forth the duties and rights of the members and the association, is in use. According to this contract, the dairymen agrees to deliver and to sell to the association all the milk and cream "produced on the farm or farms occupied by him or in which he is interested during the life of his membership in this association."

The association agrees to manufacture, sell and dispose of the milk and cream delivered and to make returns for the same. In case a member fails to deliver the milk produced on his farm the association becomes entitled to liquidated damages of two cents per pound of butterfat sold elsewhere.

The growth of the association, as measured by output, sales, and net worth, is indicated by the following figures:

Year	Butter made	Cost of making butter	Sales*	Patronage refunds	Net worth
	(Pounds)	(Cents)			
1923	525,350	3.3	-----	-----	-----
1924	707,770	2.9	-----	-----	-----
1925	877,054	2.1	-----	-----	-----
1926	1,140,691	1.8	\$471,741	\$10,991	\$25,431
1927	1,491,579	1.9	663,292	16,959	29,653
1928	1,769,277	1.9	808,223	19,019	27,388

\* Butter, buttermilk, cream, creamery supplies, etc.

### ALABAMA FARMERS SELL POULTRY COOPERATIVELY

About 30,000 Alabama farmers have sold 68 cars of poultry cooperatively within the past 12 weeks, with the assistance of the Alabama Farm Bureau Federation marketing specialists. These sales have brought in some \$225,000. The poultry, which weighed about 1,150,000 pounds, has been loaded in 41 counties and the county agents have been active in making the sales a success. The work is still going on and the specialists expect to load about 90 cars this year.

Another line of activity the Farm Bureau Federation is promoting is the cooperative cold storage of eggs. The work has been started in six counties to protect the farmers against the low prices which prevail in the spring. The Farm Bureau encourages the farmers to send their eggs to be stored and advances 20 cents a dozen on delivery and assumes all responsibility for selling. County agents are urging producers, who have at least a case of eggs per week, not to sell good eggs for less than 20 cents a dozen.

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### EGG MARKETING IN EASTERN WASHINGTON

Total sales by the Spokane Poultry Farmers' Association, Spokane, are increasing at the rate of about \$100,000 a year. Egg and feed sales in 1925 amounted to \$100,000, in 1926, to \$219,000; in 1927, \$301,000; and in 1928, \$490,000. Egg sales in 1928 were \$332,000 and feed sales, \$158,000.

This association was organized in June of 1923. It started with less than a dozen members owning about 6,000 laying hens. At the present time it has a membership of 350 with more than 125,000 hens. The increase in membership during 1928 was over 100.

The quantities of eggs handled for the several years are as follows: 1923, (six months) 1,830 cases; 1924, 6,300 cases; 1925, 8,800 cases; 1926, 16,724 cases; 1927, 23,482 cases; 1928, 34,250 cases. Net returns to producer members were \$8.78 a case in 1928. Eggs are handled on the basis of weekly pools.

About two-thirds of the eggs are now sold in Spokane and the rest are shipped to New York City, along with eggs being marketed by the associations at Yakima and Walla Walla.

In addition to the Spokane plant for receiving, candling, packing, and shipping eggs, there are branch plants at Coeur d'Alene, Idaho, and Ritzville, Wash.

A feed department was established in 1926 and a feed mill installed in 1927. This mill has equipment for mixing a car of mash feed and cracking a car of grain every 24 hours. The warehouse facilities are sufficient for storing 22 cars of feed at a time. Shipments of feed amounted to 140 car loads in 1928.

Equipment has also been installed for making the egg crates required by the members.

LIVESTOCK ASSOCIATION SERVES MANY FARMERS

Eighty-four cars of livestock were shipped to market last season by the Sparta Cooperative Association, Sparta, Mich. All stock was shipped to Detroit and sales were made through the Michigan Livestock Exchange. The shipments consisted of 453 cattle, 1,247 hogs, 2,234 sheep and lambs, and 2,270 veal calves. Weight on the terminal market totaled 1,242,354 pounds. Gross sales amounted to \$138,007 which was \$13,025 more than sales of the previous year.

The Sparta association was formed in 1919 and buys certain supplies for farmers in addition to handling livestock. Its 1924 sales amounted to \$50,000 and 1925 sales to \$55,000. It served 751 farmers last year, not all of whom were members. On January 1, 1929, the management reported a membership of 500.

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INCREASED SHIPMENTS OF LIVESTOCK

More livestock was marketed through the Washington Live Stock Shipping Association, Washington, Ind., during 1928 than in any of the preceding seven years that the association has been operating. The total number of animals handled was 27,692, including 1,718 head of cattle, 2,340 calves, 22,481 hogs, and 1,153 head of sheep.

Sales f.o.b. shipping point amounted to \$577,427 compared with \$528,157 in 1927. This latter amount was more than \$100,000 larger than for the next best year in the experience of the organization.

The shipping area served by the association increased by about 20 per cent during 1928. Livestock was shipped to four terminal markets, namely, Evansville, Indianapolis, Cincinnati, and Pittsburgh. The market cost, including freight, for these four markets, as reported by the management of the Washington Association, was, Evansville, 38.6 cents per 100 pounds; Indianapolis, 38.9 cents; Cincinnati, 46.4 cents; and Pittsburgh, 68.4 cents.

This association was organized in 1921 as a county-wide enterprise to supplant six small shipping associations. Its growth in 8 years as measured by number of animals handled is as follows: 1921, 4,015 animals; 1922, 5,216; 1923, 8,508; 1924, 14,372; 1925, 15,193; 1926, 15,527; 1927, 25,017; 1928, 27,692.

Much of the livestock is collected by trucks operated by the association. Routes have been laid out and the trucks make as many trips as are necessary to assemble the livestock that is ready for shipment.



### NEW SELLING SERVICE FOR ARIZONA WOOL GROWERS

A new wool-selling service is offered to farmers of the Salt River Valley, Arizona, who own only a few sheep. The Maricopa County Farm Bureau has become a member of the Arizona Wool Growers' Association, Phoenix, and will assemble the small lots of wool and market same on a brokerage charge of one-eighth of a cent a pound.

Ranchers wishing to sell wool under this plan will list the same at Farm Bureau headquarters, giving the approximate quantity. When a sufficient quantity is listed to attract a buyer, a day and place for delivery will be appointed and a buyer will be present as well as a representative of the county Farm Bureau and Wool Growers' Association. Each farmer's wool will be graded and weighed separately and he will receive a check from the Farm Bureau less only the brokerage charge.

The quantity of wool produced in the valley is estimated at approximately two car loads of 30,000 pounds each.

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### MINNESOTA WOOL ASSOCIATION IS GROWING

All officers of the Minnesota Wool Growers' Association, Wabasha, were re-elected following the fifth annual membership meeting held February 21, 1929. Receipts of wool and mohair for the 1928 clip amounted to 923,743 pounds; gross sales totaled \$397,232, and net sales, \$336,260. After deducting \$2,038 for special reserve, \$7,910 for "in freights," \$1,318 for commissions from nonmembers, and \$33,680 for expenses, including handling and association charges, interest, insurance, etc., the sum of \$341,308 was distributed to growers, and an undistributed balance of \$4.93 was carried to the wool account. The pool expense was 8.70 per cent of net sales, f. o. b. Wabasha.

The following table shows the number of patrons, receipts of wool, and average selling prices for each of the last five years as recently reported by the management:

Year	Number of patrons	Receipts of wool (Pounds)	Average selling price* (Cents per lb.)
1924	600	248,717	42.06
1925	1,743	522,348	44.53
1926	1,609	552,397	40.00
1927	1,657	612,511	39.61
1928	2,661	926,107	43.81

\*Excluding tags and mohair.



### COOPERATIVE BUYING THROUGH SERVICE STATIONS

The fifteenth branch of the Ohio Farm Bureau Corporation, Columbus, opened its doors for business April 1, 1929, at Eaton, Ohio. The plant of the Eaton Farmers' Equity Company has been leased and is now being operated by the corporation.

The management reports that six additional branches are to be started as soon as financing and personnel arrangements can be worked out. Furthermore, applications have been received for the establishment of seven other branch stations.

The quantities of feeds, fertilizers and coal handled through the branches of the corporation increased from February, 1928, to February, 1929, as follows: feed, 93 per cent; fertilizers, 41 per cent; and coal, 120 per cent.

Among the other farm supplies handled are: limestone, farm implements, tires, motor oil, cod liver oil, oyster shell, and tankage. Each branch functions as a cooperative service station for farmers desiring to buy supplies on a cooperative basis.

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### EIGHT YEARS OF COOPERATIVE PURCHASING

One of Pennsylvania's small successful cooperatives is the Oley Farmers' Cooperative Association, Oley, which started out late in 1920 as an association to bargain for the collective sale of the milk produced by its members, but is now a purchasing association. For a number of years the association has been connected with the Inter-State Milk Producers' Association of Philadelphia and that organization attends to all negotiations for the sale of milk. Nearly all the milk is now sold in Reading.

In its first year the Oley Farmers' Cooperative Association began purchasing supplies, such as feeds, seeds, fertilizers, fencing, building materials, and groceries, and has conducted a considerable business each year, nearly all being transacted at the car door. Supplies are unloaded at six points, at each of which a car door agent is in charge. These agents solicit, receive and distribute orders, and collect the money from patrons, receiving a small commission for their services. A rural mail carrier serves as part time manager. He assembles the orders received from the car door agents, places orders, and attends to many details of the business. Expenses are low, having never but once been in excess of 2.5 per cent of sales; in the exceptional year the percentage was 2.7.

Volume of sales during the years has been as follows: 1921, \$43,500; 1922, \$33,245; 1923, \$103,782; 1924, \$117,824; 1925, \$125,552; 1926, \$127,196; 1927, \$122,155; 1928, \$125,000. More than 200 members are participating in the activities of the organization.

### SASKATCHEWAN WHOLESALE CO-OP ONE YEAR OLD

The Saskatchewan Cooperative Wholesale is now one year old. It held its first annual meeting recently with 27 delegates present, representing 27 trading societies which have taken stock in the Wholesale. Five of the delegates represented new societies; the other 21 are well established and have a combined turnover of \$2,100,000. The delegates went on record as endorsing the principle of a cooperative training school and instructed the directors to work out a plan for providing instruction for young people who want to make cooperation their life work.

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### MAINE FARMERS OWN FERTILIZER PLANT

Potato growers in Aroostook County, Maine, have a cooperative association for the manufacture of fertilizer. The enterprise was formed in 1919 under the name of the Aroostook Federation of Farmers, with headquarters at Caribou. At first the organization did more or less collective buying for its members, but now its principal activity is the manufacture of fertilizers.

The present plant has a capacity of 35,000 tons of fertilizer a year. Annual sales during recent years have varied from about \$200,000 to nearly \$500,000. At the close of the association's last business year its fixed assets amounted to \$53,491. There was outstanding share capital to the amount of \$58,500 and a surplus of \$68,421. Bonds had been issued against the property to the amount of \$12,200.

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### COLLECTIVE PURCHASING IN MICHIGAN

The seed and supply services of the Michigan State Farm Bureau, Lansing, had gross sales of \$3,630,837 in 1928, compared with \$3,014,225 in 1927, and \$2,028,439 in 1926. These services are engaged in supplying Michigan farmers with known-origin seeds, dairy and poultry feeds, binder twine, fertilizers, farm implements, clothing and blankets. In addition to purchasing seed, many cars of Michigan-produced seeds are marketed.

The greater part of the supplies handled are distributed through local car-door agents. However, warehouse facilities have been arranged for at two points and plans are now being developed to establish wholesale distributing facilities at Grand Rapids and Port Huron.

Although the Michigan Farm Bureau Seed Service and the Michigan Farm Bureau Supply Service are two separate corporations, the business activities of the two are so closely coordinated that they function as a single enterprise.

COLLECTIVE OIL PURCHASING IN ILLINOIS

Patronage refunds to the amount of \$11,239 were made to member units by the Illinois Farm Supply Company, Chicago, Ill., during the business period ending August 31, 1928. A total of 1,057 car loads of petroleum products, with a wholesale value of \$677,818, were handled. The quantities of some of the products supplied to the county oil associations were as follows: gasoline, 663 cars; kerosene, 301 cars; lubricating oils, 93 cars; grease, 129,847 pounds; and alcohol, 4,901 gallons. Equipment to the value of \$46,153 was purchased for local associations.

The supply company was incorporated in March of 1927 and began business on April 1 of that year. Its present membership consists of 16 local associations each serving the farmers of one or more counties.

The supply company is organized with share capital of three kinds. There are 16 shares of common stock of no par value, which are held by the 16 units, one share by each unit. Preferred "A" stock with a par value of \$100 is held by the county units in proportion to the amount of share capital issued by each. Preferred "B" stock with par value of \$1 a share is held exclusively by the Illinois Agricultural Association. Both issues of preferred stock are entitled to cumulative dividends at the rate of 7 per cent per annum. The county units are required to execute a contract whereby they agree to make purchases exclusively through the central company.

The control of the supply company rests in a board of nine directors elected by the county units. The treasurer of the Illinois Agricultural Association is treasurer of the supply company. The management of the supply company is provided by the Illinois Agricultural Service Company, a company formed in 1926 for the purpose of providing management for the various business enterprises of the Illinois Agricultural Association.

The supply company had a net worth of \$29,091 at the close of its first business year. Of this amount \$24,936 was share capital and \$4,125 surplus set aside from the net earnings of the first year.

All purchases are made on contracts with rigid specifications as to quality. Furthermore the products purchased are subjected to frequent laboratory tests that the supply company may know exactly what it is buying.

The county units are similarly organized. There is common share capital of no par value which is issued to Farm Bureau members in good standing. Preferred stock in shares, generally of \$25, is sold for the purpose of raising capital. Holders of these shares have the right to vote but only holders of common stock receive patronage refunds.

The 16 county units of the supply company operate a total of 39 bulk stations. While the smaller organizations operate but one station, centrally located; some of the larger associations operate as many as 5 stations. Filling stations located on main highways, are operated by some of the county associations. Most of the associations make deliveries by truck direct to farms and filling stations.



### THE NETHERLANDS' COOPERATIVE DAIRY FACTORIES

A consular report from the Netherlands regarding the commerce and industries of that country, tells of the cooperative dairy factories which handle a large portion of the product. Eighty-four of these factories, all but one of the cooperatives, are federated in an overhead organization which serves 15,500 milk producers.

In the year ending May 12, 1928, these federated factories turned out butter to the value of \$11,555,100; cheese to the value of \$10,205,283; powdered milk, \$1,621,929; and condensed milk, \$262,106; making gross returns of \$23,644,520. Net returns amounted to \$20,216,370. Over 75 per cent of the butter exported from the Netherlands goes to Germany.

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### FARMERS IN WALES UNITE TO BUY MANY SUPPLIES

Of the various agricultural cooperative enterprises of Wales, the cooperative purchase of supplies has been the most uniformly successful, according to information published by the Ministry of Agriculture. The following table summarizes the activities of this type of cooperation over a period of years:

Year	Number of societies	Number of members	Total sales
1903	15	1,768	£ 17,067
1913	61	8,036	330,567
1923	81	22,437	1,258,777
1926	75	23,210	1,215,784

Although the number of societies was smaller in 1926, this was considered a possible advantage to the movement, while the small decrease in total sales was attributed to declining prices, as the tonnage handled in 1926 was larger than in 1923.

The membership of the societies represents about one-half of the people who make their living by farming. Measured in terms of membership and volume, about three-fourths of the cooperative purchasing activity is in South Wales.

Some societies trade only with farmers and supply goods needed for producing crops and livestock. Others handle very largely household supplies. In the different societies of both North Wales and South Wales the average sales per member range from £21 to £63. Sales of feed account for 42 to 85 per cent of the total; implements, around 2 per cent; seeds, 2 to 6 per cent; fertilizers, 5 to 8 per cent; and household and miscellaneous supplies, 5 to 45 per cent.



BRITISH COOPERATIVES BUY SUNDAY NEWSPAPER

"Reynolds' Illustrated News," a British Sunday newspaper with a record of 84 years, has recently been purchased by the National Cooperative Publishing Company and will become an organ of the British cooperative movement. Under the title on the front page it will be described as "An Independent Newspaper Outside the Big Combine." On the editorial page it will carry the motto of the cooperative movement: "In things essential, Unity; in things doubtful, Liberty; in all things, Charity."

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AGRICULTURAL SOCIETIES SELL TO CONSUMERS' GROUPS

A marked growth of the commercial relations between the consumers' and agricultural cooperative movements, during the last few years, is reported by Centrosoyus, the All-Russian Central Union of Consumers' Societies, Moscow. The agricultural societies have made considerable progress and are now able to turn over a larger share of their food products to the consumers' cooperatives.

In the 1927-28 season the consumers' cooperatives received 5,500 cars of eggs, of which about 1,700 car loads were supplied by the agricultural cooperative societies.

The agricultural cooperatives have not yet reached a point where they can provide the volume of grain, eggs, poultry, and other supplies required by the consumers' societies. Such purchases run into many millions of roubles each year.

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COOPERATIVE ASSOCIATIONS IN MACEDONIA

A consular report from Saloniki, Greece, tells of the agricultural cooperative movement in Macedonia. This was a comparatively unimportant movement prior to the influx of refugees from Asia Minor in 1922 when the National Bank of Greece began to encourage and extend credit to newly formed associations, in order to help the refugees to settle in rural communities. With credit available the number of organizations grew rapidly. While there were only 397 in Macedonia at the end of 1924, three years later the number had grown to 1,043. The main object of these associations is to secure credit from the National Bank of Greece and other banks, and extend credit to members of the associations. There have also been some attempts at cooperative sales and purchases.

During the year 1927 the General Administration of Colonization in Macedonia aided the movement by assigning 14 specialists to the work of assisting the cooperatives.

### AUDITING ON COOPERATIVE BASIS

Two hundred sixty-five examinations of the business records of farmers' associations were made during 1928 by the Illinois Agricultural Cooperatives Association, Chicago, Ill. There were 93 examinations, or audits, for farmers' elevators; 58 for farm bureau organizations; 41 for associations handling petroleum products; 22 for livestock sales agencies; 16 for livestock shipping associations, of which 8 were county organizations; 9 for farmers' insurance companies; 8 for associations marketing dairy and poultry products; 6 for mercantile companies; 4 for associations handling seeds; and 8 for miscellaneous enterprises.

The total charge by the cooperatives association for the 265 examinations was \$34,566. The largest single item in the charge was \$17,483 for accountants. Some of the other items were transportation, \$1,920; hotel and meals, \$1,918; typing, \$2,548; reviewing, \$2,284; supplies, \$1,993.

The average audit charge was \$118 in 1928 compared with \$121 in 1927. The average charge for the farmers' elevators was \$123 in 1928 and \$130 in 1927. The charge for the farm bureaus averaged \$81 in 1928 and \$79 in 1927.

This association was formed in 1924 for the purpose of "providing accounting and general business service to cooperative associations and agricultural organizations" on a cooperative basis. The present membership consists of 212 farmers' organizations, including 78 farmers' elevator companies, 56 farm bureaus, 23 oil distributing companies, 12 mutual insurance companies, and 20 livestock marketing associations.

Member associations are required to have their records audited at least once a year and are privileged to have service at more frequent intervals if they desire.

The cooperative is a non-stock, non-profit organization, the members of which are cooperative associations. It began functioning June 1, 1924. The growth of the organization during its five years of existence is indicated by the following figures:

Year	Members*	Examinations
1924#	112	43
1925	185	189
1926	212	273
1927	227	289
1928	212	265

\* December 31.

# Seven months.

HISTORICAL SKETCHES. No. 7. TOBACCO COOPERATIVES

Both the Grange and the American Society of Equity were potent factors in starting tobacco growers on the road to cooperation. The Grangers built a number of warehouses in Kentucky in 1873, while the Equity, organized in 1902, encouraged similar action in both Kentucky and Wisconsin. Local groups organized and built warehouses where they could assemble their tobacco and have it sorted and graded by experienced men, and packed according to quality. More than 20 such groups were formed in Wisconsin within a few years. They handled large quantities of the crops of 1908 and 1909, then withdrew from the Equity organization and formed the Farmers' Tobacco Association which operated three years.

The Kentucky growers resented bitterly the arrogant attitude and arbitrary methods of the tobacco buyers, as well as their low prices, and finally united against what they believed to be a common enemy. The result was the Burley Tobacco Society of 1906, which, in connection with the Planters' Protective Association of the "Black Patch," determined to force the "tobacco trust" to pay higher prices.

Each association secured control of a large part of the crops of 1906 and 1907 and held the tobacco for specified prices. In 1908, by cutting production to a minimum, they forced the "trust" to yield, and that fall it bought large quantities of the stored tobacco at satisfactory prices. This ended the reign of terror or "tobacco war" which had brought so much violence, bloodshed, and destruction of property to the producing sections. Neither association ever operated again.

During the next decade local tobacco associations were organized in practically every producing section. They were formed in at least 16 states. However, the next large-scale movement came after the slump in prices which followed the termination of the World War. The situation was desperate. Maryland growers formed a marketing association in 1919. In the Burley district, bankers and other citizens united to help the growers, with the result that the Burley Tobacco Growers' Cooperative Association was organized in November, 1921, with about 75 per cent of the crop signed up.

The year 1922 saw the formation of the Tobacco Growers' Cooperative Association, of Virginia and the Carolinas; the Connecticut Valley Tobacco Growers' Association; and the Northern Wisconsin Cooperative Tobacco Pool. A year later the Miami Valley Tobacco Growers' Association was formed in Ohio.

While the tobacco handled by cooperatives in 1919 was estimated as less than one per cent of the total crop, the percentage in 1922 rose to more than 48 per cent. This was the high mark. Many unforeseen difficulties arose, with much dissatisfaction on the part of the growers, and one by one the large-scale associations ceased to operate. Now only two remain, one in Wisconsin and one in Maryland.



NEW PAPER FOR MINNESOTA WOOL GROWERS

Volume I, No. 1, of the Minnesota Co-Operative Wool Growers' Monthly has appeared under date of April, 1929, as the official publication of the Minnesota Cooperative Wool Growers' Association, Wabasha. Through this paper the association plans to present a monthly review of the wool market at home and abroad, a summary of the activities of the association, and educational features to aid the growers in improving the quality and condition of the wool.

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NEW PUBLICATION FOR POULTRY COOPERATIVE

The West Virginia Poultry Producers' Cooperative Association, Parkersburg, is now issuing a little paper called the "Poultry Plant Reporter" for the benefit of its members. Previous to January of this year the association had been sending out mimeographed sheets to the membership every two weeks. Now it has progressed to a printed publication. On January 15 the membership stood at 258, eight new members having been received within two weeks.

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POULTRY ASSOCIATION ISSUES YEAR BOOK

The Vineland Cooperative Poultry Association, Inc., Vineland, N. J., has recently issued a Year Book for the year 1928, its first publication of the kind. The booklet contains a brief history of the association, reports of various officers and committees for the past year, as well as numerous articles dealing with a variety of subjects. One article tells about the 16 poultry shows which the association has conducted, another tells of the Vineland poultry industry, and a third of the "Quality Egg Club." Others deal with feeding, handling and the like.

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BEGINNINGS OF COOPERATIVE LIVESTOCK MARKETING

"Beginnings of Cooperative Livestock Marketing" are traced in a recent preliminary report, prepared by Chastina Gardner and issued by the Division of Cooperative Marketing. While cooperative livestock marketing in its present form is a comparatively modern movement, there have long been ways in which stockmen found it advantageous to work together. The paper is the third of a series, the first of which told of the first dairy cooperatives, and the second of the early fruit and vegetable associations. Copies of the report may be procured from the Division of Cooperative Marketing, U. S. Department of Agriculture, Washington, D. C.



REPORTED BY THE ASSOCIATIONS

The Alberta Cooperative Livestock Producers, Ltd., Edmonton, is considering the matter of establishing a packing plant. At the recent annual meeting of the association the board of directors was authorized to acquire the necessary facilities if it seemed desirable.

The New England Institute of Cooperation is planning to hold its third session in Vermont, probably June 20 to 22, 1929. Dairy marketing will occupy nearly the whole program, as this has become a matter of leading importance in recent years. Committees have been appointed and a tentative program released, showing the names of a number of prominent speakers.

Seventeen dairymen representing county Farm Bureaus in the St. Louis milk shed have formulated a plan for a cooperative sales organization through which the producers of the territory can market their milk collectively. Acting as an organization committee, these dairymen have prepared the necessary articles of agreement, by-laws, and contracts, and outlined a plan for a membership campaign. The proposed association is to be a bargaining organization.

With a payment of 50 cents per hundredweight on April 25, the California Lima Bean Growers' Association, Oxnard, Calif., has distributed \$3.50 to members on their 1928 crop. Following the initial payment of \$4 on October 15, the association has made four distributions at the rate of \$1 each, on December 20, January 15, February 19, and March 19. Prices for baby limas have been lower than for regular limas and the advances on the baby lima pool have totaled \$7.

Three lines of work have been outlined for 1929 operations by the Indiana Wool Growers' Association, Indianapolis. The first is to place wool production and marketing on township farm bureau programs; the second is to ask local county service men to solicit, assemble and ship pooled wools; and the third is to make the virgin wool suiting plan a feature of the regular campaign. Under this plan members may secure suits of virgin wool material, made to their measure, by a responsible tailoring firm at a modest cost.

The American Institute of Cooperation is to hold its fifth summer session at the Louisiana State University, Baton Rouge, beginning July 29. Approximately 100 individuals who are prominent in cooperative work will take part in carrying out the program. There will be conferences of groups of cooperatives with common problems, and special classes will be conducted the entire four weeks of the session. A meeting is also planned to ratify the plan for a National Chamber of Agricultural Cooperatives to function as a national trade association for agricultural business cooperatives.

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- Taylor, Clifford C., and L. S. Hulbert. Cooperative Purchasing in Virginia. Cooperative Marketing Journal, Memphis, Tenn., March, 1929, p. 62.
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